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Department of Finance

News Release

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Release of *The Fiscal Monitor*

The Honourable Jim Flaherty, Minister of Finance, today released *The Fiscal Monitor* for December 2007.

Highlights

December 2007: budgetary surplus of $2.7 billion

There was a budgetary surplus of $2.7 billion in December 2007, compared to a surplus of $1.3 billion in December 2006. Budgetary revenues were up $3.1 billion, or 16.1 per cent, driven by growth in income tax and goods and services tax revenues. Program expenses increased by $1.9 billion, or 12.7 per cent, reflecting higher transfer payments and operating expenses of departments and agencies. Public debt charges were down $0.2 billion.

April to December 2007: budgetary surplus of $9.4 billion

For the first nine months of the 2007–08 fiscal year, the budgetary surplus is estimated at $9.4 billion, up $1.2 billion from the $8.2-billion surplus reported in the same period of 2006–07. Budgetary revenues increased by $10.6 billion, or 6.4 per cent, reflecting gains across most revenue streams, particularly corporate income tax and other revenues. The results to date include personal income tax relief measures for 2007 introduced in the October 2007 Economic Statement. These measures consist of the reduction in the lowest personal income tax rate from 15.5 per cent to 15 per cent and the increase in the basic personal amount to $9,600, both effective January 1, 2007. Program expenses were up $9.8 billion, or 7.4 per cent, due to higher transfer payments and operating expenses of departments and agencies. Public debt charges were down $0.4 billion, reflecting reductions in market debt.

An update of the 2007–08 budgetary surplus projection is provided in Budget 2008.

The Fiscal Monitor is a monthly document that provides highlights of the federal government's fiscal performance, including monthly revenues, expenses, the budgetary balance and the financial source/requirement.

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